



GALUSHA
HIGGINS
& GALUSHA^{PC}
EST. 1919

A PROFESSIONAL CORPORATION OF
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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May 14, 2013

By Electronic Mail

For the State of Montana

William B. Kirley
Department of Environmental Quality
1100 N. Last Chance Gulch
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Robert G. Collins/Mary Capdeville
Montana Department of Justice
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For the United States

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Environment & Natural Resources Div.
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Robert Kirkpatrick
Regional Environmental Engineer
Northern Region
USDA Forest Service
Federal Building
P.O. Box 7669
Missoula, MT 59807

Dear Ladies and Gentlemen:

As accountants to the Montana Environmental Trust Group, LLC, Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Galusha, Higgins & Galusha, PC hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account; and
- (4) The Black Pine Cleanup Account

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May 14, 2013
Beneficiary Letter

The attached financial statements cover the quarter ending March 31, 2013 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

A handwritten signature in blue ink that reads "Jen Roberts, CPA". The signature is written in a cursive, flowing style.

Galusha Higgins & Galusha

Attachments

cc: Cynthia Brooks—METG
Betsy Burns—EPA-8
Jennifer Roberts—Galusha
Joe Vranka—EPA-8
Marc Weinreich—METG
Jim Ford – METG

Montana Environmental Custodial Trust
Custodial Trust Administrative Account
STATEMENT OF FINANCIAL POSITION

March 31, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 262,487.10
Money market	-
Due from other cost centers	28.74
Total current assets	<u>262,515.84</u>

Investments, JP Morgan Chase

Total assets	<u>7,159,637.39</u> <u><u>\$ 7,422,153.23</u></u>
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LIABILITIES AND NET ASSETS

Accounts payable	\$ 52,979.31
Due to other cost centers	-
	<u>52,979.31</u>

Net assets

Total net assets and liabilities	<u>7,369,173.92</u> <u><u>\$ 7,422,153.23</u></u>
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Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF ACTIVITIES

For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
Interest income	\$ -	\$ -	\$ -	\$ -	0.00%
Investment income, net of fees and unrealized gains	18,190.33	18,190.33	-	18,190.33	100.00%
Total revenues	18,190.33	18,190.33	-	18,190.33	100.00%
Expenses:					
1.A Financial Affairs					
1.A.1 Galusha, Higgins & Galusha, PC	11,647.29	11,647.29	64,400.00	(52,752.71)	18.09%
1.C Property Taxes					
1.C.1 East Helena	-	-	65,335.00	(65,335.00)	0.00%
1.C.2 UBMC-Mike Horse	-	-	2,449.00	(2,449.00)	0.00%
1.C.3 Black Pine	-	-	7,313.00	(7,313.00)	0.00%
1.C.4 Iron Mountain	-	-	293.00	(293.00)	0.00%
1.C Property Taxes Total	-	-	75,390.00	(75,390.00)	0.00%
1.F Site Security					
1.F.1 East Helena	3,048.18	3,048.18	22,584.00	(19,535.82)	13.50%
1.F.2 UBMC-Mike Horse	38.91	38.91	11,944.00	(11,905.09)	0.33%
1.F.3 Black Pine	4,612.88	4,612.88	20,163.00	(15,550.12)	22.88%
1.F.4 Iron Mountain	-	-	-	-	0.00%
1.F Site Security Total	7,699.97	7,699.97	54,691.00	(46,991.03)	14.08%
1.G Insurance					
1.G.1 Commercial General Liability	46,237.50	46,237.50	46,238.00	(0.50)	100.00%
1.G.2 Vehicle-Equipment Insurance	474.00	474.00	9,546.00	(9,072.00)	4.97%
1.G.3 Property Insurance	-	-	28,748.00	(28,748.00)	0.00%
1.G Insurance Total	46,711.50	46,711.50	84,532.00	(37,820.50)	55.26%

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF ACTIVITIES

For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	496.00	496.00	2,250.00	(1,754.00)	22.04%
1.H.2 Records Segregation Costs	1,666.03	1,666.03	6,024.00 (1)	(4,357.97)	27.66%
1.H.3 GETG Professional Fees	-	-	4,950.00	(4,950.00)	0.00%
1.H.4 Water Rights	1,938.00	1,938.00	12,250.00	(10,312.00)	15.82%
1.H Trust Legal Affairs Total	4,100.03	4,100.03	25,474.00	(21,373.97)	16.09%
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	-	-	47,040.00	(47,040.00)	0.00%
1.K Property Sales					
1.K.1 East Helena	506.25	506.25	15,200.00 (2)	(14,693.75)	3.33%
1.L Trustee Costs					
1.L.1 Trustee Fees	20,756.25	20,756.25	33,450.00	(12,693.75)	62.05%
1.L.2 Trustee Expenses	1,717.28	1,717.28	9,000.00	(7,282.72)	19.08%
1.L Trustee Costs Total	22,473.53	22,473.53	42,450.00	(19,976.47)	52.94%
Total expenses	93,138.57	93,138.57	409,177.00	(316,038.43)	22.76%
Change in net assets	(74,948.24)	(74,948.24)	<u>\$ (409,177.00)</u>		
Net assets, beginning of period	7,444,122.16	7,444,122.16			
	<u>\$ 7,369,173.92</u>	<u>\$ 7,369,173.92</u>			

Notes:

(1) On 3/19/2013 USDOJ approved a budget increase of \$4,388 for Cost Center 1.H.2 - Records Segregation Costs. Approval of the State of Montana for the requested budget increase is still pending.

(2) On 3/19/2013 the State of Montana approved a budget increase of \$5,200 for Cost Center 1.K.1 - Property Sales: East Helena. On 3/20/2013 USDOJ approved a budget increase of \$5,200 for Cost Center 1.K.1 - Property Sales: East Helena.

Montana Environmental Custodial Trust

East Helena Clean-up Account

STATEMENT OF FINANCIAL POSITION

March 31, 2013

ASSETS

Current assets

Cash, First Interstate Bank \$ 287,231.69

Accounts receivable -

Due from other cost centers 178.96

Total current assets 287,410.65

Investments, JP Morgan Chase 90,017,112.11

Total assets \$ 90,304,522.76

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable \$ 1,468,098.40

Due to other cost centers -

Total current liabilities 1,468,098.40

Net assets 88,836,424.36

Total net assets and liabilities \$ 90,304,522.76

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income					
2.RNT.a · Commercial Tenants	\$ -	\$ -	\$ -	\$ -	0.00%
2.RNT.b · Agricultural Tenants	3,445.00	3,445.00	-	3,445.00	100.00%
2.RNT.c · Slag Pile	-	-	-	-	0.00%
2.RNT · Rental Income Total	3,445.00	3,445.00	-	3,445.00	100.00%
Investment income, net of fees and unrealized gains	1,190,195.00	1,190,195.00	-	1,190,195.00	100.00%
Total revenues	1,193,640.00	1,193,640.00	-	1,193,640.00	100.00%
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	35,634.61	35,634.61	174,758.00	(139,123.39)	20.39%
2.A.3 · WTP/NPDES Regulatory Compliance	-	-	11,988.00	(11,988.00)	0.00%
Total 2.A · Water Treatment Plant	35,634.61	35,634.61	186,746.00	(151,111.39)	19.08%
2.B · General Site Operations					
2.B.1 · Routine O&M	17,714.12	17,714.12	77,277.00	(59,562.88)	22.92%
2.B.2 · Office Operations	3,653.42	3,653.42	34,771.00	(31,117.58)	10.51%
2.B.3 · Safety	16,665.10	16,665.10	133,915.00	(117,249.90)	12.44%
2.B.5 · Non-Routine O&M	2,588.50	2,588.50	29,446.00	(26,857.50)	8.79%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Modular Offices	434.77	434.77	5,000.00	(4,565.23)	0.00%
Total 2.B · General Site Operations	41,055.91	41,055.91	300,409.00	(259,353.09)	13.67%
2.C · Waste Disposal					
2.C.1 · HDS	124.00	124.00	4,000.00	(3,876.00)	3.10%
2.C.2 · Contaminated Debris	31.00	31.00	13,400.00	(13,369.00)	0.23%
2.C.3 · Other	1,162.01	1,162.01	10,100.00	(8,937.99)	11.51%
Total 2.C · Waste Disposal	1,317.01	1,317.01	27,500.00	(26,182.99)	4.79%
2.D · Slag Pile Reprocessing	-	-	55,500.00	(55,500.00)	0.00%

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENT OF ACTIVITIES
For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
2.E · Tenants					
2.E.2 · Agricultural Tenants	-	-	8,500.00	(8,500.00)	0.00%
2.E.4 · Other	2,080.80	2,080.80	8,000.00	(5,919.20)	26.01%
Total 2.E · Tenants	2,080.80	2,080.80	16,500.00	(14,419.20)	12.61%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	806.00	806.00	10,000.00	(9,194.00)	8.06%
2.F.5 · CAMU O&M	1,488.00	1,488.00	10,000.00	(8,512.00)	14.88%
Total 2.F · RCRA Compliance	2,294.00	2,294.00	22,000.00	(19,706.00)	10.43%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	-	-	30,000.00	(30,000.00)	0.00%
Total 2.I · Risk Assessment	-	-	55,000.00	(55,000.00)	0.00%
2.J · Interim Measures					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	290,090.00	290,090.00	1,260,000.00	(969,910.00)	23.02%
2.J.1b · SPHC IM Construction	205,160.57	205,160.57	3,672,340.00	(3,467,179.43)	5.59%
2.J.1 · SPHC IM Design & Construction	495,250.57	495,250.57	4,932,340.00	(4,437,089.43)	10.04%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	159,231.76	159,231.76	580,000.00	(420,768.24)	27.45%
2.J.2b · ET Cover IM Construction	184,252.35	184,252.35	1,945,096.00	(1,760,843.65)	9.47%
2.J.2 · ET Cover IM Design & Construction	343,484.11	343,484.11	2,525,096.00	(2,181,611.89)	13.60%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	44,659.23	44,659.23	275,000.00	(230,340.77)	16.24%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	44,659.23	44,659.23	275,000.00	(230,340.77)	16.24%
2.J.4 · IM/RCRA Support	81,679.54	81,679.54	1,258,000.00	(1,176,320.46)	0.00%
2.J.5 · Design Management/Execution	265,502.78	265,502.78	2,051,000.00	(1,785,497.22)	12.95%
Total 2.J · Interim Measures	1,230,576.23	1,230,576.23	11,041,436.00	(9,810,859.77)	11.15%

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	33,500.00	(33,500.00)	0.00%
2.K.2 · System Maintenance	-	-	36,000.00	(36,000.00)	0.00%
Total 2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	-	-	70,000.00	(70,000.00)	0.00%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	19,933.14	19,933.14	90,000.00	(70,066.86)	22.15%
2.N.4 · Design/Construction Audit Service	-	-	60,000.00	(60,000.00)	0.00%
Total 2.N · Financial Affairs	19,933.14	19,933.14	150,000.00	(130,066.86)	13.29%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	80,000.00	(80,000.00)	0.00%
2.O.2 · Redevelopment Support	-	-	5,000.00	(5,000.00)	0.00%
Total 2.O · Redevelopment	-	-	85,000.00	(85,000.00)	0.00%
2.P · Community Relations					
2.P.1 · General Meetings	-	-	10,000.00	(10,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	-	4,000.00	(4,000.00)	0.00%
2.P.3 · East Helena Website	-	-	15,000.00	(15,000.00)	0.00%
2.P.4 · Community Involvement/Relations	-	-	75,000.00	(75,000.00)	0.00%
2.P.5 · New Signage	-	-	9,500.00	(9,500.00)	0.00%
Total 2.P · Community Relations	-	-	113,500.00	(113,500.00)	0.00%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	14,729.24	14,729.24	84,000.00	(69,270.76)	17.53%
2.R.2 · In-House Legal Services	8,606.25	8,606.25	56,250.00	(47,643.75)	15.30%
Total 2.R · Legal Support Total	23,335.49	23,335.49	140,250.00	(116,914.51)	16.64%

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENT OF ACTIVITIES
For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
2.T · Trustee Management & Support					
2.T.4 · RCRA PM	90,637.50	90,637.50	349,440.00	(258,802.50)	25.94%
2.T.5 · Administrative Staff	-	-	-	-	0.00%
2.T.6 · Compliance Manager	5,282.38	5,282.38	80,000.00	(74,717.62)	6.60%
2.T.7 · Operations Manager	31,839.50	31,839.50	92,400.00	(60,560.50)	34.46%
2.T.8 · Support Staff	14,458.56	14,458.56	121,000.00	(106,541.44)	11.95%
2.T.9 · Project Controls Manager	8,415.40	8,415.40	150,000.00	(141,584.60)	5.61%
2.T.10 · Construction Mgmt Support/Inspection	-	-	-	-	0.00%
2.T.11 · Trustee Mgmt EH Clean Up	83,250.00	83,250.00	397,800.00	(314,550.00)	20.93%
2.T.12 · Trustee Land Use & Re-use	506.25	506.25	70,200.00	(69,693.75)	0.72%
2.T.13 · Trustee Travel and Directs	-	-	20,000.00	(20,000.00)	0.00%
Total 2.T · Trustee Management & Support Total	<u>234,389.59</u>	<u>234,389.59</u>	<u>1,280,840.00</u>	<u>(1,046,450.41)</u>	<u>18.30%</u>
Total expenses	<u>1,590,616.78</u>	<u>1,590,616.78</u>	<u>13,614,181.00</u>	<u>(12,023,564.22)</u>	<u>11.68%</u>
Change in net assets	<u>(396,976.78)</u>	<u>(396,976.78)</u>	<u>(13,614,181.00)</u>		
Net assets, beginning of period	<u>89,233,401.14</u>	<u>89,233,401.14</u>			
Net assets, end of period	<u>\$ 88,836,424.36</u>	<u>\$ 88,836,424.36</u>			

Notes:

(1) On 3/15/2013 EPA approved a budget of \$50,000 for Cost Center II.J.1.b - SPHC IM Construction to fund relocation of the CenturyLink telephone cable.

(2) On 3/22/2013 EPA approved a budget of \$164,165 for Cost Center II.J.1.b - SPHC IM to fund relocation of the NorthWestern Energy power distribution line.

(3) On 3/22/2013 EPA approval a budget of \$404,595 (including \$229,287 to be reimbursed by the City of East Helena pursuant to the Cost Reimbursement Agreement) for Cost Center II.J.1.b SPHC IM to fund relocation of the City of East Helena waterline.

(4) On 5/14/2013 EPA approved a budget of \$3,077,745 for Cost Center II.J.1.b-SPHC IM to fund construction of the Prickly Pear Creek Temporary Bypass Channel.

Montana Environmental Custodial Trust

East Helena Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income	\$ 3,445.00	\$ 3,445.00	\$ -	\$ 3,445.00	100.00%
Investment income, net of fees and unrealized gains	1,190,195.00	1,190,195.00	-	1,190,195.00	100.00%
Total revenues	1,193,640.00	1,193,640.00	-	1,193,640.00	100.00%
Expenses:					
2.A · Water Treatment Plant	35,634.61	35,634.61	186,746.00	(151,111.39)	19.08%
2.B · General Site Operations	41,055.91	41,055.91	300,409.00	(259,353.09)	13.67%
2.C · Waste Disposal	1,317.01	1,317.01	27,500.00	(26,182.99)	4.79%
2.D · Slag Pile Reprocessing	-	-	55,500.00	(55,500.00)	0.00%
2.E · Tenants	2,080.80	2,080.80	16,500.00	(14,419.20)	12.61%
2.F · RCRA Compliance	2,294.00	2,294.00	22,000.00	(19,706.00)	10.43%
2.I · Risk Assessment	-	-	55,000.00	(55,000.00)	0.00%
2.J · Interim Measures	1,230,576.23	1,230,576.23	11,041,436.00	(9,810,859.77)	11.15%
2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	-	-	70,000.00	(70,000.00)	0.00%
2.N · Financial Affairs	19,933.14	19,933.14	150,000.00	(130,066.86)	13.29%
2.O · Redevelopment	-	-	85,000.00	(85,000.00)	0.00%
2.P · Community Relations	-	-	113,500.00	(113,500.00)	0.00%
2.R · Legal Support	23,335.49	23,335.49	140,250.00	(116,914.51)	16.64%
2.T · Trustee Management & Staff	234,389.59	234,389.59	1,280,840.00	(1,046,450.41)	18.30%
Total expenses	1,590,616.78	1,590,616.78	13,614,181.00	(12,023,564.22)	11.68%
Change in net assets	(396,976.78)	(396,976.78)	(\$13,614,181.00)	\$13,217,204.22	2.92%
Net assets, beginning of period	89,233,401.14	89,233,401.14			
Net assets, end of period	\$ 88,836,424.36	\$ 88,836,424.36			

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF FINANCIAL POSITION

March 31, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 101,512.23
Prepaid expenses	32,076.36
Due from other cost centers	<u>2,526.02</u>
Total current assets	136,114.61

Investments, JP Morgan Chase

	<u>7,129,683.59</u>
Total assets	<u><u>\$ 7,265,798.20</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 29,591.04
Due to other cost centers	<u>-</u>
Total current liabilities	29,591.04

Net assets

	<u>7,236,207.16</u>
Total net assets and liabilities	<u><u>\$ 7,265,798.20</u></u>

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF ACTIVITIES
For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 22.05	\$ 22.05	\$ -	\$ 22.05	100.00%
Investment income, net of fees and unrealized gains	13,022.11	13,022.11	-	13,022.11	100.00%
Total revenues	13,044.16	13,044.16	-	13,044.16	100.00%
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	5,274.08	5,274.08	30,944.00	(25,669.92)	17.04%
4.DEQ Direct & Indirect Expenses	1,162.83	1,162.83	8,803.00	(7,640.17)	13.21%
4.1 Total MT DEQ Expenses	6,436.91	6,436.91	39,747.00	(33,310.09)	16.19%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	2,408.40	2,408.40	67,500.00	(65,091.60)	3.57%
WTP Supplies	14,626.69	14,626.69	32,050.00	(17,423.31)	45.64%
4.B Material, Supplies & Chemicals	17,035.09	17,035.09	99,550.00	(82,514.91)	17.11%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	13,560.75	13,560.75	56,056.00	(42,495.25)	24.19%
1-62102-02 GETG Trustee Oversight	5,287.50	5,287.50	22,500.00	(17,212.50)	23.50%
1-62102-12 Technical Advisory Services (CDM)	-	-	7,900.00	(7,900.00)	0.00%
1-62102-22 WTP Technician/Operator	29,398.88	29,398.88	101,800.00	(72,401.12)	28.88%
1-62102-28 Operational Trouble-shoot & Support	-	-	3,250.00	(3,250.00)	0.00%
4.C Operating Labor	48,247.13	48,247.13	191,506.00	(143,258.87)	25.19%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	1,517.50	1,517.50	13,250.00	(11,732.50)	11.45%
1-62102-41 Storm Water Regulatory Compliance	1,982.75	1,982.75	4,100.00	(2,117.25)	48.36%
1-62102-204 Health & Safety Compliance	962.73	962.73	2,000.00	(1,037.27)	48.14%
1-62891 Handyman Charges	3,215.12	3,215.12	7,500.00	(4,284.88)	42.87%
1-62102-51 GHG Accounting	3,990.95	3,990.95	18,000.00	(14,009.05)	22.17%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	11,669.05	11,669.05	46,050.00	(34,380.95)	25.34%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF ACTIVITIES
For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	1,921.50	1,921.50	16,500.00	(14,578.50)	11.65%
1-62106-02 Linda Tangen Data Validation (O&M)	521.38	521.38	5,000.00	(4,478.62)	10.43%
1-62106-03 Energy Lab Testing (Repositories)	269.50	269.50	3,300.00	(3,030.50)	8.17%
4.E WTP Operations - Analytical	2,712.38	2,712.38	24,800.00	(22,087.62)	10.94%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	-	-	8,600.00	(8,600.00)	0.00%
1-62371 Telephone	956.23	956.23	5,580.00	(4,623.77)	17.14%
1-62601 Electricity	8,567.62	8,567.62	49,300.00	(40,732.38)	17.38%
1-62605 Water & Sewage	260.00	260.00	3,460.00	(3,200.00)	7.51%
1-62606 Garbage & Trash	263.26	263.26	1,800.00	(1,536.74)	14.63%
1-62607 Propane	3,958.50	3,958.50	18,700.00	(14,741.50)	21.17%
4.F WTP Operations - Utilities	14,005.61	14,005.61	87,440.00	(73,434.39)	16.02%
4.H Projects & Construction					
1-63100-01 Repair 200 ft. Mike Horse Adit	-	-	30,000.00	(30,000.00)	0.00%
1-63113-03 Spare Parts	5,787.31	5,787.31	25,000.00	(19,212.69)	23.15%
1-63113-04 Concrete Floor Under Building Awning	-	-	4,500.00	(4,500.00)	0.00%
1-63113-11 Backup Generator for Upper Site	-	-	9,500.00	(9,500.00)	0.00%
1-63113-12 Purchase/Program HMI PLC Workstation	-	-	4,000.00	(4,000.00)	0.00%
1-63113-13 Purchase/Program Standalone Alarm Dialer	-	-	7,800.00	(7,800.00)	0.00%
1-63113-14 Replace Atlas Copco Air Compressor	-	-	8,500.00	(8,500.00)	0.00%
1-63113-15 Install Filtrate Flow Meters - CMF	-	-	30,000.00	(30,000.00)	0.00%
1-63113-16 Install Holding Tank for Sludge Tank Decant	12,713.88	12,713.88	17,500.00	(4,786.12)	72.65%
1-63113-17 Purchase/Install 500 Gallon Acid Storage Tanks	-	-	10,500.00	(10,500.00)	0.00%
1-63113-18 Relocate Field Test Lab	-	-	5,500.00	(5,500.00)	0.00%
1-63113-19 Modify WTP for Intermittent Seasonal Op	25,667.22	25,667.22	12,000.00	13,667.22	213.89%
1-63113-20 Finalize O&M Manual	-	-	17,180.00	(17,180.00)	0.00%
1-63113-21 Purchase Software/Program PLC Data Capture	-	-	13,000.00	(13,000.00)	0.00%
1-63113-22 Automate CIP Cleaning	-	-	34,000.00	(34,000.00)	0.00%
1-63113-23 Install Wall & Extend Mezzanine	1,348.00	1,348.00	8,000.00	(6,652.00)	16.85%
1-62102-231 HVAC/Lighting Modification	368.44	368.44	95,000.00	(94,631.56)	0.39%
1-62102-233 Building Repairs (Corrosion Damage)	-	-	9,000.00	(9,000.00)	0.00%
1-62102-42 Water Balance Study (Hydrometrics)	210.00	210.00	10,000.00	(9,790.00)	2.10%
1-62102-42 Storm Water Maintenance/Upgrades	-	-	8,700.00	(8,700.00)	0.00%
1-62102-204 Update and Implement WTP HASP	-	-	10,000.00	(10,000.00)	0.00%
1-62102-41 Storm Water Pollution Prevention Plan	-	-	7,500.00	(7,500.00)	0.00%
4.H Projects & Construction	46,094.85	46,094.85	377,180.00	(331,085.15)	12.22%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
4.I Set-Aside for Operation Issues/Upsets (Non-Routine)					
1-62102-121 Unforeseen Emergency Response Funds	-	-	50,000.00	(50,000.00)	0.00%
1-63113-301 Low Density Sludge	-	-	28,000.00	(28,000.00)	0.00%
1-63113-302 Sludge TCLP Fails for Cadmium	-	-	36,000.00	(36,000.00)	0.00%
1-63113-303 Effluent Dissolved Oxygen (> 8.0 mg/l)	-	-	12,000.00	(12,000.00)	0.00%
4.I Set-Aside for Operation Issues/Upsets	-	-	126,000.00	(126,000.00)	0.00%
4.2 Total Other Expenses	139,764.11	139,764.11	952,526.00	(812,761.89)	14.67%
Total expenses	146,201.02	146,201.02	992,273.00	(846,071.98)	14.73%
Change in net assets	(133,156.86)	(133,156.86)	(992,273.00)	859,116.14	13.42%
Net assets, beginning of period	7,369,364.02	7,369,364.02			
Net assets, end of period	<u>\$ 7,236,207.16</u>	<u>\$ 7,236,207.16</u>			

Montana Environmental Custodial Trust

Black Pine Clean-up Account

STATEMENT OF FINANCIAL POSITION

March 31, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 14,722.03
Money Market	190,418.28
Prepaid expenses	<u>96,627.42</u>
Total current assets	301,767.73

Investments, JP Morgan Chase

<u>16,869,211.59</u>
<u><u>\$ 17,170,979.32</u></u>

Total assets

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,967.27
Due to other cost centers	<u>-</u>
Total current liabilities	2,967.27

Net assets

<u>17,168,012.05</u>
<u><u>\$ 17,170,979.32</u></u>

Total net assets and liabilities

Montana Environmental Custodial Trust
Black Pine Clean-up Account
STATEMENT OF ACTIVITIES
For the quarter ending March 31, 2013

	1st QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 139.63	\$ 139.63	\$ -	\$ 139.63	100.00%
Interest Income - MM	45.91	45.91	-	45.91	100.00%
Investment income, net of fees and unrealized gains	40,905.29	40,905.29	-	40,905.29	100.00%
Total revenues	41,090.83	41,090.83	-	41,090.83	0.00%
Expenses:					
5.1 Trustee Costs from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	-	-	1,000.00	(1,000.00)	0.00%
2-2-02 Trustee Services/Expenses-Marc	715.00	715.00	5,000.00	(4,285.00)	14.30%
2-2-03 Mine Maintenance/Security	4,231.50	4,231.50	16,926.00	(12,694.50)	25.00%
2-2-04 Generator Maintenance	-	-	2,000.00	(2,000.00)	0.00%
2-2-51 Accounting Services	1,507.14	1,507.14	11,000.00	(9,492.86)	13.70%
2-62401 Mileage	148.88	148.88	2,330.00	(2,181.12)	6.39%
2-62405 Snowmobile	232.50	232.50	908.00	(675.50)	25.61%
5.1.1 Utilities					
2-62601 Electricity	1,673.29	1,673.29	7,500.00	(5,826.71)	22.31%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	1,673.29	1,673.29	10,340.00	(8,666.71)	16.18%
5.1.2 Permits					
2-62823-01 Operating Permit (#00063)	100.00	100.00	100.00	-	100.00%
2-62823-02 Storm Water (#MTR300080)	1,125.00	1,125.00	1,125.00	-	100.00%
2-62823-03 Air Quality (#1630)	-	-	825.00	(825.00)	0.00%
5.1.2 Permits Total	1,225.00	1,225.00	2,050.00	(825.00)	59.76%
5.1 Trustee Costs Total	9,733.31	9,733.31	51,554.00	(41,820.69)	18.88%
5.2 DEQ Costs	185,102.28	185,102.28	1,539,236.00	(73,149.67)	12.03%
Total expenses	194,835.59	194,835.59	1,590,790.00	(114,970.36)	12.25%
Change in net assets	(153,744.76)	(153,744.76)	\$ (1,590,790.00)	\$ 156,061.19	9.66%
Net assets, beginning of period	17,321,756.81	17,321,756.81			
Net assets, end of period	\$ 17,168,012.05	\$ 17,168,012.05			